

By: Powell, et al.

S.B. No. 995

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the disaster reinvestment and infrastructure planning board and the creation of the disaster reinvestment and infrastructure planning revolving fund; making an appropriation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 17, Water Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. DISASTER REINVESTMENT AND INFRASTRUCTURE PLANNING BOARD; REVOLVING FUND

Sec. 17.801. DEFINITIONS. In this subchapter:

(1) "Board" means, notwithstanding Section 17.001, the disaster reinvestment and infrastructure planning board.

(2) "Disaster" has the meaning assigned by Section 418.004, Government Code, and also includes a pandemic.

(3) "Fund" means the disaster reinvestment and infrastructure planning revolving fund.

(4) "Trust company" means the Texas Treasury Safekeeping Trust Company.

Sec. 17.802. ESTABLISHMENT; PURPOSE. The disaster reinvestment and infrastructure planning board is established to:

(1) administer the disaster reinvestment and infrastructure planning revolving fund; and

(2) determine the eligibility of applicants for

1 financial assistance from the fund and award grants and loans from  
2 the fund.

3 Sec. 17.803. COMPOSITION. (a) The board is composed of:

4 (1) the following ex officio members:

5 (A) a member of the Texas Water Development Board  
6 designated by the presiding officer of that board;

7 (B) a member of the governing board of the Texas  
8 Department of Housing and Community Affairs designated by the  
9 presiding officer of that board;

10 (C) the commissioner of insurance or the  
11 commissioner's designee;

12 (D) a member of the Texas Transportation  
13 Commission designated by the presiding officer of the commission;

14 (E) a member of the Public Safety Commission  
15 designated by the presiding officer of the commission;

16 (F) the executive commissioner of the Health and  
17 Human Services Commission or the executive commissioner's  
18 designee;

19 (G) the commissioner of agriculture or the  
20 commissioner's designee;

21 (H) the land commissioner or the land  
22 commissioner's designee;

23 (I) a member of the Texas Commission on  
24 Environmental Quality designated by the presiding officer of the  
25 commission; and

26 (J) the comptroller or the comptroller's  
27 designee; and

1           (2) three public members, one appointed by the  
2 governor, one appointed by the lieutenant governor, and one  
3 appointed by the governor from a list provided by the speaker of the  
4 house of representatives.

5           (b) Appointed board members serve staggered six-year terms  
6 with one member's term expiring February 1 of each odd-numbered  
7 year.

8           (c) The governor shall designate one member of the board to  
9 serve as presiding officer of the board.

10          Sec. 17.804. ADMINISTRATIVE ATTACHMENT. (a) The board is  
11 administratively attached to the Texas Water Development Board.

12          (b) The Texas Water Development Board shall provide office  
13 space and administrative support services, including human  
14 resources, budgetary, accounting, purchasing, payroll, information  
15 technology, and legal support services, to the board as necessary  
16 to carry out the purposes of this subchapter.

17          Sec. 17.805. FUND. (a) The disaster reinvestment and  
18 infrastructure planning revolving fund is a special fund outside  
19 the state treasury to be used by the board, without further  
20 legislative appropriation, for the purpose of providing financial  
21 assistance in response to a disaster as provided by this  
22 subchapter. The board may establish separate accounts in the fund.  
23 The fund and the fund's accounts are kept and held by the trust  
24 company in escrow and in trust for and in the name of the board. The  
25 board has legal title to money and investments in the fund until  
26 money is disbursed from the fund as provided by this subchapter and  
27 board rules.

1       (b) Money deposited to the credit of the fund may be used  
2 only as provided by this subchapter.

3       (c) The fund consists of:

4           (1) money transferred or deposited to the credit of  
5 the fund by law, including money from any source transferred or  
6 deposited to the credit of the fund at the board's discretion as  
7 authorized by law;

8           (2) the proceeds of any fee or tax imposed by this  
9 state that by statute is dedicated for deposit to the credit of the  
10 fund;

11           (3) any other revenue that the legislature by statute  
12 dedicates for deposit to the credit of the fund;

13           (4) the proceeds of the sale of any bonds required to  
14 be deposited to the credit of the fund by the constitution of this  
15 state; and

16           (5) investment earnings and interest earned on amounts  
17 credited to the fund.

18       Sec. 17.806. MANAGEMENT AND INVESTMENT OF FUND. (a) The  
19 trust company shall hold and invest the fund, and any accounts  
20 established in the fund, for and in the name of the board, taking  
21 into account the purposes for which money in the fund may be used.  
22 The fund may be co-invested with the state treasury pool.

23           (b) The overall objective for the investment of the fund is  
24 to maintain sufficient liquidity to meet the needs of the fund while  
25 striving to preserve the purchasing power of the fund. It is the  
26 intent of the legislature that the fund remain available in  
27 perpetuity for the purposes of this subchapter.

1       (c) The trust company has any power necessary to accomplish  
2 the purposes of managing and investing the assets of the fund. In  
3 managing the assets of the fund, through procedures and subject to  
4 restrictions the trust company considers appropriate, the trust  
5 company may acquire, exchange, sell, supervise, manage, or retain  
6 any kind of investment that a prudent investor, exercising  
7 reasonable care, skill, and caution, would acquire or retain in  
8 light of the purposes, terms, distribution requirements, and other  
9 circumstances of the fund then prevailing, taking into  
10 consideration the investment of all the assets of the fund rather  
11 than a single investment.

12       (d) The trust company may recover the costs incurred in  
13 managing and investing the fund only from the earnings of the fund.

14       (e) The trust company annually shall report to the board  
15 with respect to the investment of the fund. The trust company shall  
16 contract with a certified public accountant to conduct an  
17 independent audit of the fund annually and shall present the  
18 results of each annual audit to the board. This subsection does not  
19 affect the state auditor's authority to conduct an audit of the fund  
20 under Chapter 321, Government Code.

21       (f) The trust company shall adopt an investment policy that  
22 is appropriate for the fund. The trust company shall present the  
23 investment policy to the investment advisory board established  
24 under Section 404.028, Government Code. The investment advisory  
25 board shall submit to the trust company recommendations regarding  
26 the policy.

27       (g) The board annually shall provide to the trust company a

1 forecast of the cash flows into and out of the fund. The board shall  
2 provide updates to the forecasts as appropriate to ensure that the  
3 trust company is able to achieve the objective specified by  
4 Subsection (b).

5 (h) The trust company shall disburse money from the fund as  
6 directed by the board.

7 Sec. 17.807. USE OF MONEY IN FUND. The board by rule shall  
8 establish a revolving loan and grant program to use money from the  
9 fund to provide loans and grants under Sections 17.808, 17.809, and  
10 17.810.

11 Sec. 17.808. PUBLIC INFRASTRUCTURE LOANS AND GRANTS. (a)  
12 In this section:

13 (1) "Qualifying eligible political subdivision" means  
14 a political subdivision that is located wholly or partly in an area  
15 declared by the governor to be a disaster area and that the Federal  
16 Emergency Management Agency has determined is eligible to receive  
17 financial assistance from the agency in response to the disaster.

18 (2) "Qualifying ineligible political subdivision"  
19 means a political subdivision that is located wholly or partly in an  
20 area declared by the governor to be a disaster area and that the  
21 Federal Emergency Management Agency has determined is not eligible  
22 to receive financial assistance from the agency in response to the  
23 disaster, including a political subdivision determined to be  
24 ineligible based solely on a failure to meet minimum population  
25 requirements.

26 (3) "Qualifying public infrastructure project" means  
27 a project to:

1           (A) rebuild infrastructure damaged or destroyed  
2 in a disaster in a manner that protects against future loss; or

3           (B) construct new infrastructure to mitigate  
4 against damage from a future disaster.

5           (b) The board may use money in the fund to:

6           (1) make a loan to finance a qualifying public  
7 infrastructure project to a qualifying eligible political  
8 subdivision; or

9           (2) make a loan or grant to finance a qualifying public  
10 infrastructure project to:

11           (A) a qualifying ineligible political  
12 subdivision; or

13           (B) a public or private hospital, other than an  
14 ambulatory surgical center:

15           (i) located wholly or partly in an area  
16 declared by the governor to be a disaster area;

17           (ii) determined by federal agencies not to  
18 be eligible for assistance;

19           (iii) not eligible for private insurance  
20 assistance sufficient to restore the hospital to pre-disaster  
21 operating function; and

22           (iv) the closure of which would cause an  
23 imminent threat to public health in the surrounding area, as  
24 determined by the Department of State Health Services.

25           (c) The board may make a loan or grant under this section  
26 only during the period for which the governor's disaster  
27 declaration is in effect or for a longer period determined by the

1 board if the application for financial assistance is for a  
2 qualifying public infrastructure project described by Subsection  
3 (a)(3)(A).

4 (d) The board may not make a loan or grant under this section  
5 to rebuild or construct a privately owned structure, except as  
6 provided by Subsection (b)(2)(B).

7 (e) A loan made under this section must be subject to the  
8 following conditions:

9 (1) the loan must be made at or below market interest  
10 rates for a term not to exceed 20 years;

11 (2) principal and interest payments on the loan must  
12 begin not later than 18 months after the loan is originated; and

13 (3) the loan proceeds must be expended solely on a  
14 qualifying public infrastructure project.

15 (f) The board shall credit to the fund all principal and  
16 interest payments made on a loan made under this section.

17 (g) The board by rule shall provide for interest rates on  
18 loans offered to political subdivisions under this section to vary  
19 according to a risk analysis so that a political subdivision must  
20 pay a significantly higher interest rate than other political  
21 subdivisions if the political subdivision is, as determined by the  
22 board, likely to suffer significant additional damage in subsequent  
23 disasters.

24 (h) The board may not make a grant to a political  
25 subdivision under this section that, based on information available  
26 to the board, has experienced repeated damage from disasters.

27 Sec. 17.809. EPIDEMIC RESPONSE MANUFACTURING GRANTS. (a)

1 In this section:

2 (1) "Eligible business" means a legal entity,  
3 including a corporation, partnership, or sole proprietorship,  
4 that:

5 (A) employs 500 or fewer employees; and

6 (B) owns or operates a facility in this state  
7 that:

8 (i) currently manufactures qualifying  
9 epidemic response equipment; or

10 (ii) based on criteria established by the  
11 board, has sufficient capacity to manufacture qualifying epidemic  
12 response equipment.

13 (2) "Qualifying epidemic response equipment" means  
14 any of the following items if, based on criteria developed by the  
15 board, the items are necessary to protect the residents of this  
16 state from an epidemic or pandemic:

17 (A) personal protective equipment, including  
18 respirators, surgical masks, cloth masks, and isolation gowns;

19 (B) respiratory care equipment, including  
20 ventilators; or

21 (C) other medical equipment, devices, or  
22 supplies.

23 (b) The board may use money in the fund to:

24 (1) make a grant to an eligible business that  
25 currently manufactures qualifying epidemic response equipment to  
26 allow the business to increase its production of that equipment; or

27 (2) make a grant to an eligible business that does not

1 currently manufacture qualifying epidemic response equipment to  
2 allow the business to begin production of that equipment at its  
3 facility.

4 (c) An individual grant awarded under this section may not  
5 exceed \$20,000.

6 (d) The maximum amount of grants awarded under this section  
7 for a fiscal year may not exceed \$500,000.

8 Sec. 17.810. INFECTIOUS DISEASE TREATMENT DEVELOPMENT  
9 GRANTS. (a) In this section, "eligible research entity" means an  
10 institution of learning or an advanced medical research facility or  
11 collaboration that:

12 (1) is located in this state; and

13 (2) performs research into the causes of and cures for  
14 infectious disease in humans.

15 (b) The board may use money in the fund to make a grant to an  
16 eligible research entity for:

17 (1) research into the causes of and cures for all types  
18 of infectious disease in humans;

19 (2) research, including translational research, to  
20 develop therapies, protocols, medical pharmaceuticals, vaccines,  
21 or procedures for the cure or substantial mitigation of all types of  
22 infectious disease in humans; and

23 (3) infectious disease prevention and control  
24 programs in this state to mitigate the incidence of all types of  
25 infectious disease in humans.

26 Sec. 17.811. ALLOCATION OF MONEY IN FUND; LIMITATION ON  
27 AWARD OF GRANTS. (a) The board by rule shall allocate money in the

1 fund so that:

2 (1) 50 percent of the money in the fund is available to  
3 provide loans under Section 17.808(b)(1); and

4 (2) the remainder of the money in the fund is available  
5 to provide:

6 (A) loans or grants under Section 17.808(b)(2);  
7 and

8 (B) grants under Sections 17.809 and 17.810.

9 (b) The board may not use more than 25 percent of the money  
10 in the fund allocated for the purposes of Subsection (a)(2)(A) to  
11 award grants to:

12 (1) assist in the payment of a political subdivision's  
13 costs associated with a qualifying public infrastructure project  
14 under Section 17.808; or

15 (2) pay or defer the payment of the principal of and  
16 interest on a loan received from the fund by a political subdivision  
17 under Section 17.808(b)(2) or extend the amount of time a political  
18 subdivision has to repay a loan under that section.

19 (c) The board shall suspend the award of grants from the  
20 fund for the duration of a period during which the balance of the  
21 fund is less than a minimum fund balance established by board rule.

22 Sec. 17.812. APPLICATION FOR LOAN OR GRANT. The board by  
23 rule shall develop and implement an application process for a loan  
24 or grant under this subchapter.

25 Sec. 17.813. PROVISIONS APPLICABLE TO APPLICATIONS FOR  
26 PUBLIC INFRASTRUCTURE LOANS AND GRANTS. (a) An application for a  
27 loan or grant under Section 17.808 must, at a minimum, include:

1           (1) a description of the public infrastructure project  
2 for which the applicant is requesting the loan or grant, including  
3 information on the design life of the project;

4           (2) an estimate of the total cost of the project;

5           (3) an estimate of the amount of federal money the  
6 applicant expects to receive for the project, if any;

7           (4) an estimate of the amount of money the applicant  
8 has available to finance the project, if any;

9           (5) evidence that the applicant has staff, policies,  
10 and procedures in place adequate to complete the project;

11           (6) information on the percentage of properties  
12 located within the political subdivision's jurisdiction that are  
13 covered by flood insurance, if the application is from a political  
14 subdivision; and

15           (7) information regarding the protections from future  
16 disasters that have been incorporated into the siting or design of  
17 the project.

18           (b) The board by rule shall adopt a point system to allow the  
19 board to prioritize certain applicants for loans or grants under  
20 Section 17.808 based on:

21           (1) the type of public infrastructure project for  
22 which the applicant is requesting the loan or grant and the stage of  
23 development of the project;

24           (2) information provided by the applicants, or other  
25 information that is available to the board, including information  
26 regarding the applicants' ability to repay a loan from the fund;

27           (3) the availability of other money, including state

1 or federal matching funds, for the public infrastructure project  
2 for which the applicant is requesting the loan or grant;

3 (4) the existence of an emergency or an imminent  
4 threat to public health;

5 (5) criteria that indicates the public infrastructure  
6 project incorporates natural features, nature-based engineering  
7 approaches, or characteristics that:

8 (A) make positive impacts on the environment;

9 (B) preserve or make efficient use of energy and  
10 associated resources; or

11 (C) reduce negative impacts on the natural  
12 environment;

13 (6) the percentage of properties located within the  
14 political subdivision's jurisdiction that are covered by flood  
15 insurance, if the applicant is a political subdivision;

16 (7) the applicant's past history of and future risk for  
17 repeated damage from disasters, if the applicant is a political  
18 subdivision; and

19 (8) other criteria developed by the board.

20 (c) The board by rule shall provide an expedited procedure  
21 for acting on an application for financial assistance from the fund  
22 for a public infrastructure project under Section 17.808. The  
23 expedited procedure must not affect an applicant's receipt of  
24 federal money to which the applicant may be eligible as a result of  
25 the disaster.

26 Sec. 17.814. REPORT. Not later than December 1 of each  
27 even-numbered year, the board shall prepare and submit to the

1 governor, the lieutenant governor, and each member of the  
2 legislature a report that includes:

3 (1) the balance of the fund as of that date;

4 (2) the total dollar amount of disbursements from the  
5 fund during the two-year period preceding that date; and

6 (3) the following information, as applicable:

7 (A) a general description of each public  
8 infrastructure project for which an applicant was awarded a loan or  
9 grant under Section 17.808 during the two-year period preceding  
10 that date and the approximate cost of each of those projects;

11 (B) a list of the applicants awarded a grant  
12 under Section 17.809 during the two-year period preceding that date  
13 and a summary of the type and amount of epidemic response equipment  
14 manufactured by each of those applicants; and

15 (C) a list of the applicants awarded a grant  
16 under Section 17.810 during the two-year period preceding that date  
17 and a summary of the research conducted and prevention and control  
18 programs developed by each of those applicants.

19 SECTION 2. As soon as practicable after the effective date  
20 of this Act, the governor and lieutenant governor shall appoint  
21 members to the disaster reinvestment and infrastructure planning  
22 board, as required by Section 17.803, Water Code, as added by this  
23 Act. The governor shall appoint one member to a term expiring  
24 February 1, 2027, and one member to a term expiring February 1,  
25 2023. The lieutenant governor shall appoint one member to a term  
26 expiring February 1, 2025.

27 SECTION 3. (a) The amount of \$1 billion is appropriated

1 from the economic stabilization fund to the comptroller for the  
2 purpose of transferring that amount immediately to the credit of  
3 the disaster reinvestment and infrastructure planning revolving  
4 fund as created by this Act.

5 (b) This section takes effect only if this Act is approved  
6 by a vote of two-thirds of the members present in each house of the  
7 legislature, as provided by Section 49-g(m), Article III, Texas  
8 Constitution.

9 SECTION 4. Except as otherwise provided by this Act, this  
10 Act takes effect September 1, 2021.